

URL: <https://ecorner.stanford.edu/clips/fintech-for-the-african-art-world/>

Karabo Morule, founder of Capital Art, explains how bringing fintech thinking into the African art world is creating a financial ecosystem where people can think about art as collectors. While individuals with high networth in Africa and interest in African art are growing, she says, the global market share remains small—but represents an important opportunity.



Transcript

- When somebody like you coming from your background and 00:00:05,820 coming from the backgrounds that we have, given the histories of Southern Africa.. I'm from Zimbabwe, we've had a similar history.. When somebody like you is very intentional about solving for inclusion and representation, I see them as an activist.. So to me, you are an activist and Capital Art, the platform that you have founded, is your form of activism.. Can you elaborate whether you see yourself as that or not?
- Yes, I certainly do.. 00:00:37,920 And it's funny because it didn't start that way.. The business was conceptualized after a discussion with an advisor.. And we then worked on this concept for about a year and, and also during that time launched an MVP.. And the primary idea actually was just around to bring digitalization and FinTech thinking into collection management in South Africa.. So like many entrepreneurs that really was just kind of like seeing an opportunity..

But in that research and ideation phase, some of the insights that were of interest was that there's interest in African art, which had really grown over the last couple of years.. So, you know, the Deloitte and ArtTactic report for 2021 reported that the African art market grew by 51% between 2015 and 2020.. And in fact, the previous report showed that the African art market had grown by 22% between 2015 and 2018.. So that also just highlights the immense growth that occurred, you know, in 2019 and 2020.. Another data point, which was kind of one of the things around the thesis of for the business and the opportunity was just the growth in the number of high net worth individuals that will grow in the years to come.. And in particular across the African continent.. And then also the fact that on the African continent, high net worth individuals were investing less than the global average in collectibles, which is where kind of the category of classes that art falls into.. And that was also then set against the fact that the African art market was only making up 1% of the global art market.. And I thought that that was like really strange.. I thought it was just such a strange number..

And then you start to understand the dynamics around it.. You get to get a sense of, of why, and yeah.. - Why?
00:02:19,860 Is it categorized differently considering that African art has always been part of the global narrative and part of the, the collective of international art? Why is it? - Exactly.. And the 1%, yeah.. 00:02:32,430 Really is around auction sales.. And so you're so right that actually there's a lot of people who are collecting art and certainly African arts has always been there in the global narrative, but there's not many people who are then accessing, kind of, the financial institutions that are available in terms of realizing that wealth.. And you certainly see that that's kind of been actually, I think the narrative.. And

that's kind of the insight that I, I had around why this was kind of important.. It's kind of bringing that financial ecosystem to have more people think about art in that way...